

DIRECTOR GENERAL

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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JUN 7 1994

In the Matter of:

Administration of the North
American Numbering Plan

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CC Docket No. 92-237
Phases One and Two

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

COMMENTS OF
COMPETITIVE TELECOMMUNICATIONS ASSOCIATION

The Competitive Telecommunications Association ("CompTel"), by its attorneys, respectfully submits its comments on the Notice of Proposed Rulemaking in the above-captioned proceeding.¹ CompTel will address herein two matters of importance to fair long distance competition: delivery of intraLATA interstate 1+ calls to the customer's presubscribed interexchange carrier,² and the mandatory use of "1" as a toll indicator.³

I. INTRODUCTION

In large part, this docket is concerned with broad issues of how North American Numbering Plan policy should be developed and administered. As explained in the Notice, the record thus far evidences agreement that policy and implementation functions should be separated, that implementation should be performed by a

¹ FCC 94-79 (released April 4, 1994).

² Notice at ¶¶ 55-58.

³ Id. at ¶¶ 43-44.

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disinterested party under the FCC's supervision, and that policy should be developed by an industry body subject to FCC oversight. CompTel concurs with these positions, and will not address them further here. It does wish to emphasize, however, that whatever body is selected to develop numbering policy must be open to input from all interested parties -- including small and medium-sized interexchange carriers -- on a non-discriminatory basis.

Against this background, CompTel will focus its comments on two issues that directly affect competition in the long distance industry.⁴ First, as discussed in Section II, CompTel urges the Commission to require that the LECs automatically deliver 1 + interstate, intraLATA calls to the customer's preselected interexchange carrier, pending development of a cost-effective 2-PIC system. Doing so will enhance customer choice, lower rates for consumers, and satisfy user expectations. Second, as discussed in Section III, the Commission should direct that all toll calls, including those within an NPA, be dialed on a 1 + 10-digit basis. This uniform, nationwide dialing plan -- which already is in effect in the majority of states -- would promote competition and minimize customer confusion.

⁴ In addition to these issues, CompTel endorses the Commission's proposed six-year period for transitioning from three-digit to four-digit CICs. See Notice at ¶ 54.

II. ALL INTERSTATE, INTRALATA 1+ CALLS SHOULD BE DELIVERED TO THE CUSTOMER'S PRE-SELECTED INTEREXCHANGE CARRIER.

The Notice explains that local exchange carriers currently screen and complete interstate, intraLATA toll calls themselves, instead of turning them over to the customer's chosen IXC. This practice, known as "stripping," frustrates customer expectations that all interstate calls will be handled by their presubscribed IXC.⁵ Moreover, as noted by the Commission, stripping forces consumers to pay rates substantially higher than would be charged by an IXC.⁶

With respect to interstate, intraLATA calls, the Commission plainly has jurisdiction to adopt a more pro-competitive and pro-consumer policy.⁷ There are two options for doing so:⁸

First, the Commission could direct the LECs to implement a "2-PIC" system, under which a customer could choose separate presubscribed carriers for interLATA and intraLATA calls. As a policy matter, this approach makes the most sense, since it would allow both IXCs and LECs to compete for intraLATA toll calls on an equal basis. At the same time, however, implementation of a 2-PIC system might impose additional costs, although there is no evidence in the record regarding their extent and nature.

⁵ Notice at ¶ 57.

⁶ Id. at n.94.

⁷ Id. at n.93.

⁸ See Allnet v. Illinois Bell Tel. Co., 8 FCC Rcd. 3030, 3043 (1993).

Second, the Commission could "reverse" the current discrimination by directing that all 1+, interstate, intraLATA calls be delivered to the customer's presubscribed IXC.⁹ Such a move would not, as suggested in the Notice, exclude the LEC from competing for such calls.¹⁰ Rather, it would compel the LEC to obtain a Carrier Identification Code and inform its customers that they may use the LEC by dialing 10XXX (or, in the future, 101XXXX) plus the long distance number -- just as IXCs are forced to do today.

CompTel urges the Commission to address this issue in two steps. As an initial matter, it should direct the LECs to discontinue stripping interstate, intraLATA calls. Delivering such calls to the customer's presubscribed IXC would significantly reduce rates paid by consumers and better reflect customer expectations. It also would allow hundreds of long distance carriers to compete for traffic that is now defaulted to the monopoly LEC, guaranteeing further consumer benefits. These "equitable factors"¹¹ plainly justify the relief CompTel seeks.

In addition, the Commission should require the LECs promptly to disclose the costs associated with implementing a 2-PIC system for interstate, intraLATA traffic. Importantly, by first requiring the LECs to discontinue stripping, the Commission can motivate those carriers to minimize the costs associated with implementing 2-PIC capabilities. Once the economic and technical feasibility of this solution have been

⁹ Id.

¹⁰ Notice at ¶ 57; see also Allnet, supra n.7, at 3043.

¹¹ Allnet, supra n. 7, at 3043.

examined, the Commission can decide whether to direct the LECs to implement it and how the costs should be recovered.¹²

III. THE COMMISSION SHOULD REQUIRE ALL TOLL CALLS TO BE DIALED ON A 1 PLUS TEN DIGIT BASIS.

As the Commission is aware, the industry will move to interchangeable NPAs -- area codes with numbers other than 0 or 1 as the middle digit -- in 1995. Because NPAs will be in the same format as NXX codes, users will no longer be able to dial intra-NPA calls using "1" plus seven digits; carriers would not be able to distinguish whether such a call was destined to the home NPA or a foreign NPA. Bellcore, in its capacity as NANP administrator, has decided that intra-NPA calls could be dialed either on a 1+10 -digit basis (like all inter-NPA toll calls) or on a 7-digit basis, without the "1".

Prudently, most LECs and state regulators have determined that all toll calls, including those within an area code, should be dialed on a 1+10-digit basis. As a result, consumers will always be aware that they are about to make a call for which usage-sensitive charges will apply, and that they may direct that call to a carrier other than the LEC if intraLATA competition is permitted. In several other states, however -- most notably, California -- intra-NPA toll calls may be dialed on a 7-digit basis.

¹² Of course, the cost recovery mechanism will have to take into account the utility of the 2-PIC system for handling intrastate, intraLATA toll traffic and the status of restrictions on entry into the interLATA market.

CompTel believes that 7-digit dialing of such calls will confuse customers and cause undue expense. As MCI has pointed out to the Commission, customers have been instructed since the initiation of direct distance dialing forty years ago to dial 1 before making long distance calls.¹³ Dropping the "1" for intra-NPA toll calls will lead customers to believe they are making a call within their free local calling area, when in fact they will be charged toll rates (which in many states are higher than rates for coast-to-coast calls). It will also preclude business customers from controlling toll expenses by blocking 1+ calls, and therefore will contribute to toll fraud.

In addition, the loss of "1" as a toll indicator will impede intra-NPA competition. Customers will have no way of knowing whether a particular call may be handled by a competitive carrier through dial-around arrangements. Consequently, intra-NPA toll calls will effectively be reserved to the monopoly LEC, unless the customer happens to know in advance that a particular call will be considered long distance.

CompTel respectfully submits that the Commission's plenary authority over the NANP includes jurisdiction over dialing plans, particularly where nationwide uniformity would produce such clear and significant benefits.¹⁴ If customers can make intra-NPA toll calls without dialing 1, they may assume that they no longer need

¹³ See Letter from Loretta J. Garcia, MCI, to Donna R. Searcy, FCC, dated May 27, 1993, at 2.

¹⁴ See Administration of the North American Numbering Plan, 7 FCC Rcd 6837, 6837 (1992).

to dial 1 to make interstate toll calls. This would result in a waste of network capacity (as customers are directed to intercept announcements instead of having their calls completed) and further exacerbate the confusion created by discontinuing the longstanding policy of using 1 as a toll indicator. These considerations, coupled with NARUC's agreement that 1+10-digit dialing of toll calls is advisable and the fact that most states already prohibit 7-digit dialing of toll calls, ameliorate any concern that the Commission would be treading on state prerogatives. Consequently, the Commission should promptly declare that all toll calls must be dialed on a 1+10-digit basis.

IV. CONCLUSION

For the foregoing reasons, the Commission should (1) require the LECs to deliver all interstate intraLATA calls to the customer's preselected IXC, pending

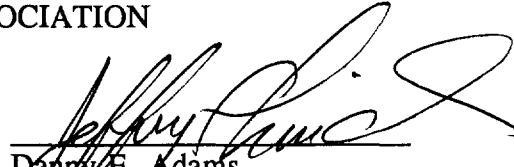
examination of the costs of a 2-PIC system, and (2) mandate that all toll calls be dialed on a 1+10-digit basis.

Respectfully submitted,

COMPETITIVE TELECOMMUNICATIONS
ASSOCIATION

Genevieve Morelli
Vice President and
General Counsel
COMPETITIVE
TELECOMMUNICATIONS
ASSOCIATION
1140 Connecticut Ave., N.W.
Suite 220
Washington, D.C. 20036
(202) 296-6650

By:


Jeffrey S. Linder
WILEY, REIN & FIELDING
1776 K Street, N.W.
Washington, D.C. 20006
(202) 429-7000

Its Attorneys